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## Letter dated 27 October 1998 from the Chairman of the Second Committee addressed to the Chairman of the Fifth Committee

As you are aware, in paragraph 6 of its resolution 52/235 of 26 June 1998 on the development account, the General Assembly requested the Secretary-General to submit proposals on the use of the funds available in section 34, Development account, of the programme budget for the biennium 1998–1999 to the relevant intergovernmental bodies. The report of the Secretary-General on the utilization of the account was issued under the symbol A/53/374 and was considered by the Second Committee at its 16th and 19th meetings, held on 19 and 21 October 1998.

The relevant sections of the summary records of the Second Committee on those meetings are annexed to the present note for the information of the Fifth Committee during its consideration of the question.

*(Signed)* Bagher **Asadi**
Chairman of the Second Committee

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# Annex

## Extracts from the summary records of the Second Committee

### A. Extract from the summary record of the 16th meeting of the Second Committee, held on 19 October 1998

[Original: French]

53. **Mr. Kamal** (Pakistan), referring to the Secretary-General's report on the utilization of the development dividend (A/53/374), said that, on the financial level, it was gratifying that the Secretary-General had given an assurance that expenditures from the development account would be subject to the same modalities and procedures as those governing the regular budget of the United Nations.

54. He welcomed the fact that the idea of a development dividend, which the Secretary-General had envisaged as part of his reform proposals, had begun to materialize. With regard to the proposals for using the first tranche of $13 million, he supported the concept of "networking for development" around which the projects for the biennium 1998-1999 had been prepared. Information technology was an engine for globalization, and there was no doubt that access to information was essential for full participation in all spheres of international life. However, many developing countries, particularly the least developed countries of Africa, were still on the margins of the global economy and would be unable to participate in it without expanded access to major international information networks. He hoped that the networking project would help those countries to participate in globalization, but underscored their need for capacity-building if they were to benefit from such access.

55. Proposal A, regarding the promotion of electronic commerce, was an initial step towards providing support to the developing countries and should serve as inspiration for other projects involving a training effort. Proposal B, regarding capacity-building in economic and social policy analysis in Africa through the networking of expertise, could have a multiplier effect in participating countries and should be backed up with assistance from the regional commissions. Proposal C, regarding the extension of access of developing countries to environmental data, should also make provision for giving participating countries the analytical tools needed to use the data. The emphasis given in proposal E to capacity-building in the least developed countries should be strengthened and followed up with more elaborate projects. Proposal F, however, regarding the on-line development centre, would not contribute to capacity-building if, before undertaking such projects, it was not ensured that developing countries were able to use such on-line or virtual centres. Lastly, it was regrettable that proposal G lacked any element of personnel training or human resources development.

56. Member States must participate fully in developing concepts or proposals for the utilization of the development account. The regional commissions and other relevant United Nations bodies could also play an important role. The development dividend should focus on projects that had multiplier effects, promoted South-South cooperation and extended special benefits to the least developed countries, particularly in Africa.

## B. Extract from the summary record of the 19th meeting of the Second Committee, held on 21 October 1998

35. **Mr. Hapsoro** (Indonesia), speaking on behalf of the Group of 77 and China with regard to the Secretary-General's report on utilization of the development dividend (A/53/374), said that the Group of 77 was of the opinion that the development account should be used only to fund development projects other than activities funded from the regular budget, focusing on projects which had a multiplier effect and contributed to capacity-building, including human resources development. Member States should also participate in evolving concepts for the utilization of the development account.